

FISCAL NOTE

Bill #: HB0131

Title: Stop and inspection authority for diesel fuel violations

Primary

Sponsor: Roger Somerville

Status: Second Reading

Sponsor signature

Date

Chuck Swysgood, Budget Director

Date

Fiscal Summary

	<u>FY 2002</u> <u>Difference</u>	<u>FY 2003</u> <u>Difference</u>
Expenditures:		
State Special Revenue	15,950	15,950
Revenue:		
State Special Revenue	707,625	707,625
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

Department of Transportation

1. Over 100,000 diesel vehicles are registered in Montana (Dept. of Justice figures).
2. A recent survey showed that 8% of diesel vehicles are using dyed fuel used it illegally.
3. Of those vehicles, 85% had Montana plates..
4. The amount of estimated penalties for illegal usage is 26% or 1768 (100,000 x 8% x 85% x 26%).
5. Revenue generated from penalties is estimated to be \$176,800 (1768 x \$100 per penalty).
6. The survey resulted in an estimate that 10,200,000 gallons of dyed fuel is consumed improperly each year.

7. Estimated compliance due to violations would be 15% or \$424,575 (10,200,000 x .15 x .2775 (diesel tax rate)).
8. Additional revenue from estimated compliance would be 10% or \$283,050 (10,200,000 x .10 x .2775)
9. Costs associated with the bill include notice of assessment costs, program costs, and appeal costs.

FISCAL IMPACT:

	<u>FY 2002 Difference</u>	<u>FY 2003 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$15,950	\$15,950
<u>Funding:</u>		
State Special Revenue (02)	\$15,950	\$15,950
<u>Revenues:</u>		
State Special Revenue (02)	\$707,625	\$707,625
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	\$691,675	\$691,675